

CORRECTED FISCAL NOTE

HB 2122 - SB 2264

February 4, 2000

SUMMARY OF BILL: Prohibits governmental entities from charging other governmental entities, the State of Tennessee excluded, a fee for the issuance of a building permit or the inspection of any building or structure for which the permit was issued.

ESTIMATED FISCAL IMPACT:

On January 28, 2000 we issued a fiscal note on this bill which indicated that:

The impact of this bill is a *not significant decrease in local government expenditures* and a *not significant decrease in local government revenues*. This assumes to the extent local governmental entities are charging for such permits, they will experience a decrease in revenues from the loss of the permit fees. The local governmental entities seeking permits will experience a corresponding decrease in expenditures as a result of no longer being subject to such fees.

Based upon additional information provided to us by the Comptroller of the Treasury, the estimated fiscal impact of this bill is:

Decrease Local Govt. Expenditures - Exceeds \$100,000
Decrease Local Govt. Revenues - Exceeds \$100,000

Assumes:

- local governments, most commonly municipalities, that are charging other governmental entities, most commonly counties, building permit and inspection fees will experience decreased revenues and those no longer subject to these fees will experience decreased expenditures.
- many local governments waive these fees for other governmental agencies.
- statewide, in localities where fees are charged, the cumulative total is estimated to exceed \$100,000 annually; however, the net impact to local governments collectively is estimated to be not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

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A handwritten signature in black ink, reading "James A. Davenport". The signature is written in a cursive style with a large, stylized initial "J".

James A. Davenport, Executive Director

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